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DEPARTMENT FOR INR/R/MR, EAP/RSP/TC, EAP/PA, EAP/PD -  
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SUBJECT: MEDIA REACTION: U.S. PRESIDENTIAL ELECTION,  
TAIWAN'S ARMS PROCUREMENTS, KEYSER CASE

#### 11. U.S. Presidential Election

A) "The United States Needs to Re-organize Its  
Relations with [Its] Asian Allies"

Lai I-chung, International Affairs Director of the  
Taiwan Think Tank, said in an op-ed in the centrist,  
pro-status quo "China Times" (10/1):

"Judging by the strategic traits of the two U.S.  
presidential candidates' staff specializing in Asia-  
Pacific policy, this November's U.S. presidential  
election can be basically viewed as a race between the  
'Pan Asia' faction whose Asian strategic focus lies in  
the 'U.S.-Japan alliance,' and the 'China Hand' faction  
whose Asian policy centers on the 'U.S.-China strategic  
partnership.' The 'Pan Asia' faction not only has  
dominated the U.S. government's Asia policy for the  
past four years, but its source can also be traced back  
to the strategic views adopted by former Secretary of  
State George Schultz of the Reagan administration. The  
'China Hand' faction, however, refers to former U.S.  
President Bill Clinton's senior staff members during  
his second term of office. No matter who is elected  
U.S. president [in November], he will face an Asian  
strategic environment that has been fundamentally  
changed. As a result, it has become a key issue as to  
how to deal with the United States' relations with its  
allies in Asia. .

"Some people might think that Washington will not have  
to go through much hardship in dealing with its  
relations with its Asian allies if it views 'U.S.-China  
relations' as the core of its Asian policy. Such an  
argument is basically wrong. If Washington lacks a  
stable relationship with its Asian allies, it will  
diminish Beijing's needs regarding Washington, which  
will, in turn, lose a powerful bargaining chip when  
dealing with Beijing. Such a development, as a result,  
will add more variables to Washington-Beijing ties.  
Thus, for either the 'Pan Asia' faction or the 'China  
Hand' faction, it is very important [for the United  
States] to maintain strong and powerful alliances in  
Asia.

"The escalating nuclear crisis on the Korean Peninsula  
has put the question of whether the current regime in  
Pyongyang is sustainable under the spotlight. The  
impact of Taiwan's democratic development versus  
China's swelling nationalism and its military expansion  
have also made it really difficult to maintain the  
'status quo' across the Taiwan Strait. All these  
indicate that the next U.S. president may be required  
to face and deal with problems such as the unification  
on the Korean Peninsula and conflicts across the Taiwan  
Strait. Thus, re-identifying [the United States']  
Asian alliances will be a top priority for the new U.S.  
president ."

B) "Revelations [from the] U.S. Presidential Election:  
Fair Competition Is the Bottom Line for Democratic  
Rule"

The conservative, pro-unification "United Daily News"  
observed in an editorial (10/4):

". U.S. society is indeed experiencing an atmosphere of  
confrontation because of the heated presidential  
election; some people even believe that a dividing  
crisis rarely seen over the past few decades is  
happening in the United States. However, as was shown  
in the debate by [U.S. President George W.] Bush and  
his rival [Senator John] Kerry, the democratic rules of  
the game that have been built up gradually since the  
founding of the United States are still the bottom line  
governing each presidential candidate. .

"A president who seeks to expand the hegemonic power  
[of his nation over] the world is still bound by the  
domestic system of his country, from accepting

criticism of the Congress in its investigative reports to signing an agreement before the presidential debate. All these indicate the check and balances of democracy and the spirit of fair competition honored by a society ruled by law. Watching the U.S. presidential race from across the Pacific Ocean, [we hope] Taiwan . could also reach a consensus on the rule of fair competition."

#### C) "Keeping Kerry's Asia Policy on Track Is Vital to Taiwan"

The conservative, pro-unification, English-language "China Post" noted in an editorial (10/3):

". While Bush and Kerry did not mention anything about the Taiwan Strait [in their first debate], the exchange clearly showed that both men have placed East Asia high on their list of priorities and take Asian issues very seriously. That is another reason why will have to be active and adamant in getting our positions communicated to both sides as they continue to expand on issues dealt with in the first debate over the coming days and weeks.

"This task may not be as urgent for dealing with the incumbent administration, since we already have strong channels of communication with officials currently in power.

"But we will have to strengthen our efforts toward the Kerry campaign, as they are still in the early stages of putting together a policy.

"Now that we have `established a beachhead' with advisers to the would-be American president, we hope that our diplomats will build on these efforts and take our causes deep into the heart of the Kerry camp."

#### 12. Taiwan's Arms Procurement

"China's Double Play Strategy toward Taiwan: Anti-Arms Sales at the United States and Anti-Arms Procurement in Taiwan"

The pro-independence "Liberty Times" editorialized (10/2):

". Beijing is coming to realize that the United States' one-China policy is different from its own one-China principle and that Washington will give almost unreserved support to its commitment to Taiwan's security. Beijing's understanding is that Washington's cross-Strait policy will meet the `dream of the one China empire;' namely, Washington is only interested in maintaining peace [in the Taiwan Strait] and will not `push for unification.' Based on such a policy, the United States will naturally express serious concern and respond to China's use of force against Taiwan, as demonstrated by U.S. determination during cross-Strait tension in 1996. To prevent the cross-Strait situation from getting out of control, the United States' emphasis on keeping a balance of military strength across the Taiwan Strait and Taiwan's purchase of weapons from the United States based on its needs to defend itself against China's threats have become a very important interaction that safeguards Taiwan's security.

"Getting to understand the significance of the U.S. arms sales to Taiwan, Beijing has put its focus while dealing with the United States over the past few years on demanding that Washington stop arms sales to Taiwan. . The United States of course would not do whatever Beijing tells it to. But what is worth noticing is that China has shifted its focus to Taiwan since it discovered that it could not ask Washington to stop arms sales to the island. Beijing's plan is evident: even though the United States refuses to stop arms sales to Taiwan, it could still reach the goal of [retarding] Taiwan's defensive capabilities by urging people in Taiwan to stop arms procurements from the United States. Those who voice opposition to arms procurements in Taiwan thus must realize their roles in China's anti-arms sales strategy."

#### 13. Keyser Case

"US-Taiwan ties need patching up"

Edward Chen, Director of the Graduate Institute of American Studies at Tamkang University, said in an op-ed in the pro-independence, English-language "Taipei Times" (10/4):

". There are four respects in which the Keyser affair is likely to affect Taiwan. First, Keyser, who was in line to be the next chairman of the American Institute in Taiwan, will now certainly not be taking up that

post.

"It is questionable whether another nominee will be as favorable to Taiwan.

"Second, revelations of a 'national security' leak will make US officials less forthcoming and more secretive in their regular meeting with Taiwanese officials and academics at Taiwan's US representative office.

"Third, the official counterpart of Taiwan's National Security Bureau (NSB) is the CIA but on the insistence of high officials in the US government, the matter is being handled by the State Department.

"As the case has affected regular diplomatic and intelligence-gathering operations, it is possible that there will be friction between the diplomatic and national security units within Taiwan's representative office in the US.

"Fourth, in the short term at least, the morale of intelligence agents working with the US will take a blow, and their freedom of action may also be more constrained.

"In the investigation of the Keyser case, Taiwan may be able to minimize the damage to Taiwan-US relations and trust if it faces the matter truthfully, cooperates fully with the US, rewards and fairly punishes those involved and - most of all - maintains clear lines of diplomatic communication. .

"The Keyser case is different from conventional cases of diplomatic or intelligence personnel breaking the rules. Strictly speaking, it is a political case. Its significance depends on how it is considered.

"I believe the best way to resolve the Keyser case is to discover its root cause.

"That is to say, we should look at the big picture, and seek to reverse the decline in Taiwan-US relations of the last few years.

"For example, in meeting the US demand that Taiwan not alter the status quo, we must do what we say and not try to play word games with the Americans. In the context of US-China-Taiwan relations, we should probably take a new tack, implementing policies that benefit the US, but also meet our own interests.

"We must build on our commercial and technical strength, seek security assurances from the US and at the same time seek parity in our commercial dealings with China. ."

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